

ADDITIONAL HEALTH CARE REFORM PROVISIONS KICK IN

Changes Take Effect on Policies Renewing After September 23, 2010

On September 23, the next round of provisions in the Patient Protection and Affordable Care Act (PPACA) will begin to go into effect. Many of these provisions provide new or expanded options and consumer protections for health insurance coverage. These benefits could mean significant changes to your policy options during open enrollment or when renewing your individual health policy. Following are highlights of these PPACA provisions to help you navigate the coverages and options you may soon see on your health insurance renewal.

The Provisions

The changes beginning September 23 include expanded coverage and new consumer protections. If they are not spelled out in the documentation you receive from your insurance provider or employer, talk with your employer's plan administrator or your health insurance company about how these protections will apply to your coverage and what new options you may have.

Effective Date

If you have health insurance coverage through an employer, these new benefits and protections will be added to your policy at the next policy renewal after September 23. If you purchased an individual health insurance policy on your own, the effective date is a bit more complicated. If your insurer has specified a "policy year" for your coverage, the new provisions will become effective on that date. Otherwise, the new benefits and protections will be added on the date when annual deductibles and annual limits reset each year. If your policy does not have an annual deductible or annual limit, these changes will become effective on January 1, 2011. If you have questions about when these provisions will become effective for your policy, contact your insurance company.

Grandfathered Plans

You may be hearing a lot about what are referred to as "grandfathered plans." These are health plans in which either a group or an individual was enrolled prior to March 23, 2010, when President Obama signed the PPACA into law. Grandfathered plans are exempt from most changes required by the PPACA. However, if the plan significantly reduces benefits or increases deductibles, copayments, and/or an employee's share of premium contributions, it will lose its grandfathered status and its exemptions. This could make a difference in what provision you see at renewal time.

Coverage Changes

1. *Annual and Lifetime Limits* – At the new plan year, plans may not contain lifetime limits on essential benefits. This provision applies to all plans. Annual limits will be phased out through 2014 for all plans, except grandfathered individual plans. Check with your insurance company to see if this applies to your policy before you renew.
2. *Rescissions* – Rescission is when an insurance company retroactively cancels your policy. The PPACA bans rescissions except in cases of fraud or intentional misrepresentation of material fact. You must be notified prior to the cancellation. This provision applies to all types of health insurance plans.
3. *Preventive Health Services* – A wide range of preventive care including immunizations, well baby and child screenings, and well women exams must be covered without cost-sharing under all non-grandfathered plans. For an exact list of what preventive services are available without cost-sharing, contact your insurance company.

4. *Adult Dependent Coverage* – Plans that cover dependent children must extend coverage until the child's 26th birthday. This applies to all types of plans, however before 2014, group health plans will be required to cover adult children only if the adult child is not eligible for employer-sponsored coverage. Adult children cannot be charged more than any other dependent.
5. *Preexisting Condition Exclusions* – Beginning September 23, 2010, children under 19 years of age cannot be denied coverage or benefits based on medical status or past illnesses. This applies to all plans except grandfathered individual plans.

Consumer Protection Changes

1. *Primary Care/Preapproval* – All non-grandfathered plans must:
 - a. Allow you the choice of any primary care provider available (if you are required to designate a primary care physician).
 - b. Provide covered emergency services without prior approval, regardless of whether the provider is in-network.
 - c. Limit cost-sharing on emergency services by nonparticipating providers to the same amount as that of a participating provider.
 - d. Allow female patients to receive obstetric or gynecological care from a participating provider and treat their authorizations the same as that of a primary care provider.
 - e. Allow children to receive care from a participating pediatrician and treat their authorizations the same as that of a primary care provider.

More Information

You can get more information about all of these changes from the Idaho Department of Insurance website, www.doi.idaho.gov.